

Full Length Research

Public relations: Pathway for the entrepreneur to achieve enduring client-customer relationship. Evidence from three Nigerian SMEs

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The study examined the relationship between effective use of Public Relations and attainment of organizational goals. It further examined how customer loyalty can be enhanced through effective use of public relations, amongst others. The paper applied a mixture of exploratory and descriptive designs. It involves administering a semi-structured questionnaire to sampled respondents. Information gathered from the field was analyzed using correlation test statistics. This was due to the nature of the hypotheses. Findings showed that there is significant relationship between effective use of public relations and attainment of organizational goals. Findings further revealed that there exist a strong relationship between effective use of public relations and creation of client customer relationship. The paper makes strategic policy recommendations which companies will find useful when implemented.

Key words: Public relations, entrepreneur, client-customer relationship.

INTRODUCTION

Public relations have developed very rapidly in recent years, partly because management of various commercial and non-commercial organizations has discovered a need for public relations activities. Public relations describes the various methods a company uses to disseminate messages about its products, services, or overall image to its customers, employees, stockholders, suppliers, or other interested members of the community. The point of public relations is to make the public think favorably about the company and its offerings. Public relations involve a two-way communication between an organization and its public.

According to (Yann, 2012; Public Relations Society of America, 2012), "Public relations is a strategic communication process that builds mutually beneficial relationships between organizations and their publics. Public Relations are the deliberate, planned and sustained effort to establish and maintain mutual understanding between an organization and its publics"

(Institute of Public Relations, USA 1982; Rensburg et al., 1995). Public relations is management function which gives the same organized and careful attention to the asset of goodwill as is given to any other major asset of business (John W. Hill 1974).

"Public Relations is a distinctive management function which helps to establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics; involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest helps management keep abreast of and effectively utilize change, serving as an early warning system to help anticipate trends; and uses research and sound and ethical communication as its principal tools.(Harlow, 2001).

Statement of research problem

Lack of good relationship between organizations and their publics has made it very difficult for many

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organizations in recent times, to attain their set goals. Interestingly, customers' loyalty has not been enhanced as a result of the organizations inability to make effective use of public relations which determines the bases of existence of any organization (Grunig, 1992).

Organizations has been facing different challenges in the area of creating client customer relationship as a result of their inability to pay more attention to public relation activities and also many organizations have not achieved success in their outlined goals because less attention is given to public relations and lack of long-term communication with customers which has not become a central part of their corporate culture (Keller, 2003; Holmes, 2012). Also, inability of organizations to participate effectively in public relations has made it a great challenge for the company executives to gain useful suggestions from the public of the organizations which will go a long way in helping the organization to achieve its set goals and objectives effectively and smoothly. Public Relations is not creating good image for a bad team, this is because, a fake image cannot in anyway hold a company for a long period of time, in spite of the product or service produced by the organization are good, it also requires a productive Public Relations campaign for inspiring, motivating and pulling the public to that product or service (Clark, 2010). It is not only encouraging the involvement from the public but also bringing about a better image for the organization.

Effective Public Relations can create and build up the image of an individual or an organization or a nation. At the time of adverse publicity or when the organization is under crisis. Effective Public Relations can remove the "misunderstanding" and can create mutual understanding between the organization and the public. Many researches have been carried out on Public Relations, fewer of these studies; however, have attempted to examine the relationship between Public Relations and attainment of organizational goals. This research therefore tries to fill that missing intellectual gap.

Objectives of study

The general objective of this study is to find out whether there is a relationship between effective use of public relations and organizational goals. However, the specific objectives of this research are to (i) Determine if there is any relationship between the use of public relations and attainment of organizational goals (ii) Examine how customers loyalty can be enhanced through effective use of public relations (iii) Find out whether public relations can be used to create client customer relationship

Literature review

An organization must not only be able to reach its customer but also allow its customer to reach them.

Kotler (2003) explained that public relation involves a variety of programs designed to promote a company's image or its individual product. According to Nur Syazwani Ahmed (2012), Public relation involves building good relations with the organization's various publics by obtaining favorable publicity, building up a good corporate image and handling or heading off unfavorable rumors, stories and events (Kotler & Armstrong, 2012). Public relations can also be seen as the management function which evaluates public attitudes, the policies and procedure of a firm with the public interest and executes a program of action to earn public understanding and acceptance.

A CONCEPTUAL DEFINITIONAL CLARIFICATION OF PUBLIC RELATIONS

Public relations has been viewed by different scholars and explained in different ways based on their understanding and perception of the concept. We therefore present the views of different scholars on the concept of public relations:

- Public Relations is a distinctive management function which helps establish and maintain mutual lines of communication, understanding, acceptance and cooperation between an organization and its publics, it involves the management of problems or issues; helps management to keep informed on and responsive to public opinion; defines and emphasizes the responsibility of management to serve the public interest; helps management keep abreast of and effectively utilize change, serving as an early warning system to help anticipate trends, and uses research and ethical communication techniques as its principal tools (Harlow, 1976)
- Public relations is the management function that establishes and maintains mutually beneficial relationships between an organization and the public's on whom its success or failure depends, it is the planned effort to influence opinion through good character and responsible performance, based upon mutually satisfactory two-way communication (Cutlip et al., 1985). Busch and Houston (1995) defined public relations as the management of an organization's desire to elicit from one or more publics a general positive feeling towards the organization and its products/services.
- Public relations is the creation, distribution and dissemination of message and communications for the purpose of promoting and fostering positive awareness, associations, perception of a person, place or thing among a particular target audience to effect a desired behaviour (Gersten, 2011; Cohen, 2011). A communication function of management through which organizations adapt to, alter, or maintain their

environment for the purpose of achieving organizational goals, or simply put, that Public Relations is more than just persuasion. Cameron (Wilcox, 2006).

- Public Relations is the management function which evaluates public attitudes, identifies the policies and procedures of an individual or an organization with the public interest, and plans and executes a program of action to earn public understanding and acceptance (Grunig & Hunt, 1984). Public Relations is the art and science of sharing genuine, credible, relevant news and information to grow, maintain and protect brand acceptance, awareness, reputation and sales, when appropriate. Public Relations creates measurable, fact-based conversations, events and activities conceived to generate positive, third party endorsements and target audience buy-in (Weinstein, 2011 as cited in Cohen, 2011).

- Public Relations is about image and reputation- the result of what you say you do, what you say, and what others say about you. Public Relations is the discipline which looks after image, with the aim of earning understanding and support and influencing opinion and behavior. (Hunter, 2007: Young, 2010). Public relations once called "non-paid" media, is the element of the marketing communications mix where a marketer creates messages and supplies them to publishers for distribution. The result is content contained within a third party channel providing an air of authenticity.

OBJECTIVES OF PUBLIC RELATIONS

Basically, public relations attempts to achieve the following: According to Bertolli and Associates PR Consultants (1996):

- Building Service Awareness: When introducing a new service or re-launching an existing service, the organization can use a public relations element that generates consumer attention and awareness through media placements and special events
- Creating Interest: Whether a public relations placement is a short product article or is included with other products in "round up" article, stories in the media can help entice a targeted audience to try the product
- Providing Information: public relations can be used to provide customers with more in depth information about products and services, through articles, collateral materials, newsletters and websites, public relations delivers information to customers that can help them gain understanding of the product
- Stimulating Demand: A positive article in a newspaper, on TV news show or mentioned on the Internet, often results in a discernable increase in product sales
- Reinforcing the Brand: In many organizations the public relations function is also involved with brand reinforcement by maintaining positive relationships with key audiences, and thereby aiding in building a strong

image today it is ever more important for companies and brands to build a good image A strong image helps the company build its business and it can help the company in times of crises as well

- Build credibility through involvement in the provision of social services
- Stimulate the sales force and dealers
- Hold down provision costs
- Counteract damaging rumours or negative publicity.

Osuagwu and Eniola (1998) also identified the following as the major objectives of public relations:

- To maintain favourable publicity (e.g. Good news, coverage in Nigerian and foreign newspapers, magazines, television etc.)
- To have the company accepted as a good corporate citizen
- To identify the company with education
- To humanize corporate business
- To counteract damaging rumours or negative publicity held by members of the public about the company, its products/ service or activities.

TOOLS OF PUBLIC RELATIONS

Varieties of tools are available to the public relations practitioner. Any tool to be used depends on a number of factors such as marketing objectives of the organization; situational factors, tools been use by your competitors; company resources, amongst others. According to Kotler and Armstrong (1995), public relations tools include:

- Press release: This can be seen as a communication which seeks to secure editorial space in the media as distinct from paid advertisement or sponsored commentaries. I.e. putting newsworthy information in the news media (magazines, radio, televisions etc.)
 - Corporate communication: this can be seen as creating internal and external communications to promote the understanding of an organization and its activities.
 - Lobbying: This can be seen as building and maintaining relations with legislators and government officials to influence legislation and regulation. i.e. dealing with politicians(legislators) and government functionaries.
- Other tools of public relations include;
- Product launch publicity: this can be seen as publicizing specific products or a new product launch
 - Exhibition and shows: Most companies attend important exhibition, shows, and international trade fairs, not with the primary aim of making immediate sale but to create an awareness of their organization which result in long-run sales of the company products.
 - In-house journals: Many organization produce in-house journals as an image building exercise
 - Speeches: Direct and indirect speeches also create product and company publicity. Company top executives

like MD, Chairman, can answer questions from journalists after the speech

- News conference: This can be seen as a conscious effort at getting the views of management into the media
- Annual reports: Brochures, This includes articles, newsletters, magazines etc
- Corporate identity materials: These also create a corporate identity that the public might immediately recognize, e.g. company logos, stationeries and brochures that have the organization's emblem
- Personal influence: This is a system where organizations use interpersonal channels of communication to peddle rumours to make their advertising and marketing programmes successful
- Press and crisis management: This can be seen as an aspect of public relations that requires maturity in handling. It is a situation whereby negative news is carried about an organization or its product or services. Openness, accessibility, truth, honesty and discretion are the qualities that help companies to survive.

BENEFITS OF PUBLIC RELATION

Public relations activity is a management function that establishes and maintains two-way, mutual relationships and communications between an organization and its publics and stakeholders, i.e. those who have a stake, such as employees, shareholders, etc. that often determine their success or failure). However, the benefits of public relations are not restricted to organizations and their profitability. Once a relationship is established, all parties should realize benefits. Benefits arising from the establishment of long-term relationships are substantial for providers. The benefit of public relations can best be seen from different perspectives such as:

- The organization's point of view
- The customers point of view

Benefit of public relations from the organization's point of view

- Brand loyalty: Brand loyalty is a benefit produced by an effective public relations strategy (Nwakanma and Jackson, 2007). Public relations encourage the customer to build a long-term relationship with the organization and its product.
- Product Differentiation and Competitive Advantage: Closely related to Brand loyalty is the concept of product differentiation and competitive advantage. In this age of global competition, product differentiation, which leads to competitive advantage, is a must (Nwakanma and Jackson, 2007). Public relations can provide an effective means of achieving both an effective product differentiation and competitive advantage. By placing a

much greater emphasis on listening, marketers can more effectively determine what the customer wants and tailor the product to appropriately fit the customer's needs (Lagzi and Thimmarayappa, 2011). This ability to better serve a customer can help a marketer to better differentiate his products and thus gain competitive advantage over those marketers that are not as responsive (Nwakanma and Jackson, 2007)

Benefits of public relations from the customers' point of view

- (i) Public relations allows customers to receive relevant Information: An effective Public relation program provides customers with sufficient information to empower them to make correct purchase decisions
- (ii) Public relations minimize friction and conflict among customers thereby providing a conducive environment that engenders development.
- (iii) Public relations have created avenues by which the customers convey their desires and interests to otherwise unresponsive corporate organizations. It equally speaks for the organizations to their customers.
- (iv) Public relations promote mutual adjustments between institutions and groups thus establishing smoother relationships that benefit the customers.
- (v) Public relations is an essential element in communication system that enables the customers to be informed on many aspects of subjects that affect their lives.
- (vi) Even in everyday inter-human relationship, communication principles of public relations have in micro forms helped to achieve cohesion and understanding which have engendered social stability.

RESEARCH METHODOLOGY

This study was conducted through a critical review of literature and field work which involved personal interviews and field survey among the sampled SMEs workers and consumers of many consumer products. It applied a mixture of exploratory and descriptive designs. It involved administering semi-structured questionnaire to sampled respondent. The sample was drawn using a convenience and purposeful sampling approaches to include respondents from the sampled SMEs and consumers of SMEs products at OTA, Nigeria. The information generated from the field was analyzed using correlation test statistics; this was due to the nature of the hypotheses.

The research hypotheses in the course of the study are stated in the form of null and alternate hypotheses;

H₀₁: There is no significant relationship between effective use of public relations and attainment of organizational goals

H_{a1}: There is significant relationship between effective use of public relations and attainment of organizational goals (Table 1).

The summary correlation coefficient between effective use of public relations and attainment of organizational goals is presented in table above. The means of the two variables are presented and the findings revealed a significant relationship between effective use of public relations and attainment of organizational goals at $r=0.84$, 92° of freedom and <0.05 . The first hypothesis is therefore rejected and alternative hypothesis upheld.

Hypothesis 2

H₀₂: There is no significant relationship between customer loyalty and effective use of public relations

H_{a2}: There is significant relationship between customer loyalty and effective use of public relations (Table 2).

The summary correlation coefficient between customer loyalty and effective use of public relations is presented in table above. The means of the two variables are presented and the findings revealed a significant relationship between customer loyalty and effective use of public relations at $r=0.68$, 92° of freedom and <0.05 . The second hypothesis therefore rejected and alternative hypothesis upheld.

Hypothesis 3

H₀₃: There is no significant relationship between public relations and creation of client customer relationship.

H_{a3}: There is significant relationship between public relations and creation of client customer relationship (Table 3).

The summary correlation coefficient between public relations and creation of client customer relationship is presented in table above. The means of the two variables are presented and the findings revealed a significant relationship between public relations and creation of client customer relationship at $r=0.66$, 92 degree of freedom and <0.05 . The third hypothesis therefore rejected and alternative hypothesis upheld.

SUMMARY AND DISCUSSION OF FINDINGS

The summary of the findings and observation based on data gathered through the questionnaires which were distributed to the employees and consumers of the products to assess public relations as an effective communication tool for achieving organizational goals, the results of the tested hypotheses which all yielded

positive results, bringing about the rejection of the null hypothesis (H₀) and the acceptance of the alternative hypothesis (H₁) are presented as follows;

(i) It was discovered that the relationship between the organization and its publics helped the organization to attain its set goals by increasing their target market and boost sales and also helping them to adapt mutually to their publics

(ii) It was also discovered that effective use of public relations by De-united foods increased customer loyalty and also enabled continuous purchase of the company's products

(iii) It was as well discovered that as the relationship value of a customer increases, he tends to purchase larger quantities of products with trust

(iv) It was noted that as a result of continual purchase due to customer loyalty, the company tend to have an increment in their sales, which result into high profit for the organization

(v) The researcher found out that effective use of public relations by the organization helped to sustain the good image of the organization.

Findings further revealed that there is a significant relationship between effective use of public relations and attainment of organizational goals. From the findings of this study, it can be concluded that a positive association exists between an organization's public relations activities and attainment of organization goal. From the study, it would be clear that organization which cultivates good reputation as employers and providers of goods and services has potential to attain its goal. Earlier studies have shown that public relations tools have frequently been employed by organizations in their engagement in attainment of organization goal. Every organization is established to accomplish certain set goals and objectives (Barnat, 2005). Goals are end results an organization desires and they benefit the organization by serving as guidelines for employee efforts, constraints, source of legitimacy, standards for performance and source of motivation (Nwachukwu, 2010). Therefore, an organization's success or performance is assessed on the basis of whether it is accomplishing the purpose for which it was established or not. The rapid modernization and globalization over the past few decades has put pressure on organisations, especially in the developing nations like Nigeria to embrace ethical practices in their operations in order to gain good will and acceptance from their publics and stakeholders. When an organisation or initiative achieves a goal it has set for itself, it should call attention to the fact. It is important for the community to know that it is home to an effective organization, one that can do what it sets out to do. And it is important for the organization to recognize and congratulate itself for its accomplishment, so that it can prepare to move on to the next one.

Table 1. Summary of correlation coefficient.

		Public relations usage	Organizational goals
Public relations usage	Pearson correlation	1	0.841(**)
	Sig. (2-tailed)		0.000
	N	93	93
Organizational goals	Pearson correlation	0.841(**)	1
	Sig. (2-tailed)	0.000	
	N	93	93

** Correlation is significant at the 0.01 level (2-tailed). Source: researcher's field survey 2013.

Table 2. Summary of correlation coefficient.

		Public relations usage	Customer loyalty
Public relations usage	Pearson correlation	1	0.681(**)
	Sig. (2-tailed)		0.000
	N	93	93
Customer loyalty	Pearson correlation	0.681(**)	1
	Sig. (2-tailed)	0.000	
	N	93	93

** Correlation is significant at the 0.01 level (2-tailed). Source: researcher's field survey 2013.

Table 3. Summary of correlation coefficient.

		Public relations usage	Customer relationship
Public relations usage	Pearson correlation	1	0.661(**)
	Sig. (2-tailed)		0.000
	N	93	93
Customer relationship	Pearson correlation	0.661(**)	1
	Sig. (2-tailed)	0.000	
	N	93	93

** Correlation is significant at the 0.01 level (2-tailed). Source: researcher's field survey 2013.

Furthermore, also findings revealed a significant relationship between customer loyalty and effective use of public relations. Earlier empirical findings demonstrate that Public relations perception is positively related to brand image, which in turn affects customer loyalty. Furthermore, there is a direct effect of public relations perception on customer loyalty. Public Relations are about developing positive relationships with all the groups and organizations that surround and influence the success of the business. The success of which can lead to customer loyalty. Loyal customers are more likely to also provide organizations with sources that help them fulfill their repurchase the same service or brand, provide positive agendas. Relationships are integral for loyalty. One major promotional tool is public relations, which refers to building good relationships with the company's public by obtaining favourable publicity, building a good corporate image and handling or heading off unfavorable rumors, stories and events (Clark, 2010).

To understand customer loyalty one must recognize there are different types and degrees of loyalty. There is monogamous loyalty and there is polygamous. There are also behavioural and attitudinal aspects. A look at these concepts will clarify what "customer loyalty" really is, and this is important because having a solid understanding of the concept is critical if one hopes to design a reward programme through public relations where loyalty enhancement is the primary objective.

The Findings revealed a significant relationship between public relations and creation of client customer relationship. Customer relationship management through public relations has been found as the strongest and the most efficient approach in maintaining and creating relationships with customers. Customer relationship through public relations is not only pure business but also ideate strong personal bonding within people. Development of this type of bonding drives the business to new levels of success (Keller, 2003).

Once this personal and emotional linkage is built, it is very easy for any organization to identify the actual needs of customer and help them to serve them in a better way. It is a belief that more the sophisticated strategies involved in implementing the public relations, the more strong and fruitful is the customer relationship. Most of the organizations have dedicated world class tools for maintaining public relations systems into their workplace (Clark, 2010).

Conclusion

Public Relation is one of the most effective means an organization has to get a solid foothold in their industry and become competitive with much larger corporations. When investing precious resources, however, organizations deserve reassurance that their money is not being wasted. Efficient PR practitioners understand the need for organizations to achieve customer loyalty, organizational goal, image, relationship and overall success and being preoccupied to achieve these.

POLICY RECOMMENDATIONS

The following recommendations were made from the analysis of primary data. These recommendations if well adhered to and implemented will have a positive bearing on the performance of the company, boost the image of the organization, build good relationship between the organization and its publics, attract more customers and retain existing ones. The researcher recommends the following, from the views of different respondents:

- a. By making each customer feel very important, treating them like kings and queen this would make the customer have a flair for the organization.
- b. No strategy is as good as that of listening to customers. This can be done by keeping personnel staff permanently plugged into front-line customer feedback, and training these staffs well on how to deal with different types of customers.
- c. The organization can program an electronic mailing system, which would send special messages like birthday wishes, anniversary, and other special days like public recognized days.
- d. By making sure they leave the customer delighted, because if they don't, competitors would
- e. By sponsoring national and international events; it can be used as a vehicle through which the organization will gain public relations exposure
- f. By contributing to corporate social responsibilities which will make their publics to be well pleased with them
- g. By being loyal to customers through ensuring customer satisfaction
- h. By adapting mutually to its environment

- i. The company can increase the relationship level with customers by sponsoring or being involved in sport activities. There are a lot of Nigerians who love sports and are happy with anybody that supports their interest.

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